

Department of Parks and Recreation

Park Unit Costing

The Department of Parks and Recreation operates the State Park System and is currently comprised of 280 park units (278 park units in 2010-11 fiscal year) that help deliver park and recreation services to the people of California. The State Park System is organized into 25 districts, five of which include off-highway vehicle parks. Many of the districts are further organized into 66 smaller groupings called sectors, and each sector comprises several park properties. The increased level of fiscal information provided in this report and in the future will allow for a greater understanding of how departmental funding is allocated amongst the various state parks in support of California's State Park System.

The Department's fiscal tracking system reports expenditures to the district level of the State Park System. The Department developed estimates of how those expenditures should be distributed among the various parks in the system. Included in this report is the Department's estimate of how the district expenditures are distributed among the parks for both 2010-11 and projected for 2013-14. The Department's examination of the State Park System's budget focused on the support budget expenditures—not capital outlay or local assistance expenditures—in order to capture those costs that best reflect the costs of operating individual parks within a park system. Going forward, the Department is tracking expenditures of the park system at the park unit level.

This report includes three charts as follows:

- California State Parks Unit Expenditure Summary Fiscal Year 2010-11
- California State Parks Unit Expenditure Data Fiscal Year 2010-11 (The detailed expenditures for fiscal year 2010-11 as reported in the summary sheet.)
- California State Parks Budget Plan Fiscal Year 2013-14

In developing this report, the costs for the park system fall into two main categories of expenditures for each fiscal year:

- **Direct Expenditures.** These are the direct expenditures for providing services in a park unit from the District level down—identified as staffing and operating expenses in this report.
- **Indirect Overhead Expenditures.** These include the cost of support services for the park unit and those provided by the Department's Headquarters operation—identified as distributed admin and core programs in this report.

2010-11 Expenditures

The two charts titled “California State Parks Unit Expenditure Summary Fiscal Year 2010-11” and “California State Parks Unit Expenditure Data Fiscal Year 2010-11” detail the support expenditures for the Department for the 2010-11 fiscal year. These charts show that the Department spent \$269.2 million to support the State Park System. Of this amount, \$208.9 million were direct expenditures for the State Park System (the sum of the staffing and operating expense columns for Park Unit Totals) and the balance of \$60.3 million were for indirect overhead expenditure (the sum of the distributed admin and core programs expenditures columns for Park Unit Totals). Note that these charts include all expenditures that occurred in the 2010-11 fiscal year, regardless of the year of appropriation. For example, any amount of the 2010-11 appropriation that was encumbered, but not actually expended in the 2010-11 fiscal year would not be reflected as an expenditure. Likewise, any funding available from a prior fiscal year that was actually expended in the 2010-11 fiscal year is reflected as an expenditure in this report.

Direct Expenditures (Staffing and Operating Expenditures). In order to report at this level of detail for staffing and operating expenses, each district reviewed its expenditures for the 2010- 11 fiscal year and determined how they should be distributed to each park unit. First, district staff determined how their employee’s time was spent at their parks. In most cases, employees work in several different parks as many of the parks share services (typically in one sector). In these instances, district staff estimated the time an employee spent at each park and then the costs for the employee were pro-rated between the respective parks. However, in other cases, an employee’s time is spent at a single park so it is clear that their costs should be captured in that park unit. Operating expenditures for a park unit includes costs for items such as printing, utilities, equipment, and communication.

Indirect Expenditures (Distributed Admin and Core Program Expenditures). While the administrative and core program expenditures are not always charged directly to the district level, these were expenditures made by headquarter units in support of the parks, so they are reflected in this report as expenditures for the respective park. Distributed admin expenditures for state departments (often referred to as department overhead) typically includes services provided by headquarters such as legal, accounting, personnel, and training. The core program services are those provided through the various program divisions in the Department. An example of such a service would be those projects to improve access for disabled visitors through ADA improvements. Some of the core programs include:

- Cultural and Natural Resources Management
- Interpretation and Education
- Facilities Management -- Maintenance and Repairs
- Bond Funded Programs

Both the distributed admin and core expenditure programs costs were distributed by applying a percentage to spread these cost to the park unit level. A portion of the costs for headquarters

and core programs that were project specific were assigned to the specific park. Many of the core program functions can be one-time expenditures.

Non-Park Unit Costs. Not all support costs for the Department are directly related to the support of the State Park System. For example, the Office of Grants and Local Services administer grants provided to local agencies, having no fiscal impact to park units. Consequently, those expenditures are detailed in separate section titled “Non-Park Unit Costs” on the last page of the charts detailing the 2010-11 fiscal year expenditures. These costs total \$50.4 million.

Operating Agreements. Parks operating under an operating agreement are identified by an asterisk included next to the park title listed in the charts. In some cases, staffing, operating expenses, distributed admin, and core program expenditures are shown as no cost to the state. In other cases, only a portion of the park is operated through an operating agreement, so only a portion of the state’s costs are offset through the arrangement. While these operating arrangements assist in keeping a park (or portions of the park) open or extend the days they are in operation to serve the public, there are costs associated with the administration and management, and oversight of these arrangements. Those costs, however, are not consistently accounted for in this report.

Volunteer Hours. The report provides the reported number of the volunteer hours at each park. The state park system benefits greatly from the volunteers by providing staffing and assistance for visitor centers, trail work, interpretive programming and many other functions.

Number of Days a Park is Open. The report identifies the number of days of the week each park is open. The number of days a week a park is open is not a reliable indicator of the level of services provided at that park. For example, one park may be open 7 days a week with full service bathrooms, programs, etc, while another park, also open 7 days a week, may not provide bathrooms and other services.

Adjustment Made for Furloughs. In the 2010-11 fiscal year, the furloughs required under Executive Order S-12-10 were in effect. Consequently, the 2010-11 expenditures in this report reflect a 15 percent reduction to personal services to account for the furlough days. The report includes a column titled, “Total Expenditures (Without Furloughs),” which provides an estimate of what expenditures *would have been* absent the furloughs for the level of staffing that was in place for that year.

2013-14 Budget Plan

The chart titled “California State Parks Budget Plan Fiscal Year 2013-14” details the Department’s budget plan for fiscal year 2013-14 at the park unit level. The 2013-14 Budget appropriates \$403.9 million for support of the Department. Of this amount, the Department plans

to allocate \$279.1 million to the park units of the State Park System. The allocations are distributed at the district level. The Department assumed the same distribution percentages used to develop the park unit level expenditures for 2010-11 fiscal year when developing the 2013-14 park unit level allocations. The Department will adjust the allocations, as needed, through the fiscal year as it continues to manage its budget.

Limitations in Comparing 2010-11 Actual Expenditures to 2013-14 Budget Plan. While the report of 2010-11 expenditures include only those expenditures occurring in that specific fiscal year, the 2013-14 projected expenditures reflect how the department plans to expend the appropriation for 2013-14 only—so it does not reflect funding available from prior years or funding encumbered, but not projected to be expended in 2013-14. It also reflects funding expected to be encumbered, but not necessarily expended in 2013-14. Consequently, a year to year comparison of expenditures for these two years is misleading.